

**INTERNATIONAL MONETARY FUND'S INTERVENTION IN NATIONAL
ECONOMICS: A CASE STUDY OF NIGERIA, 1985 - 2007**

BY

**Delight Ruth NWAFOR
ART2100608**

**DEPARTMENT OF INTERNATIONAL STUDIES AND DIPLOMACY
FACULTY OF ARTS
UNIVERSITY OF BENIN
BENIN CITY**

OCTOBER , 2025

**INTERNATIONAL MONETARY FUND'S INTERVENTION IN NATIONAL
ECONOMICS: A CASE STUDY OF NIGERIA, 1985 - 2007**

BY

**Delight Ruth NWAFOR
ART2100608**

**A PROJECT SUBMITTED TO THE DEPARTMENT OF INTERNATIONAL
STUDIES AND DIPLOMACY IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE AWARD OF BACHELOR OF ARTS (B.A.)
HONOURS DEGREE IN INTERNATIONAL STUDIES AND DIPLOMACY,
UNIVERSITY OF BENIN, BENIN CITY.**

OCTOBER, 2025

CERTIFICATION

This is to certify that this work was carried out by **Delight Ruth NWAFOR** with Mat No **ART2100608** in the Department of International Studies and Diplomacy, University of Benin, Benin City under my supervision.

DR. COLLINS EDIGIN
(Project Supervisor)

PROF. J.C NWAKA
(Head of Department)

Date

Date

DEDICATION

This work is dedicated to God, the source of my strength.

ACKNOWLEDGEMENTS

First and foremost, I return all glory to Almighty God whose grace, wisdom, and strength made the successful completion of this project possible. Without His guidance, this work would not have been achievable.

My deepest gratitude goes to my supervisor, Dr. Collins Edigin for the time, patience, and invaluable guidance provided throughout the course of this work. Your constructive criticisms, encouragement, and thorough supervision gave me clarity and direction at every stage of the research.

I also owe a special appreciation to all my lecturers, whose dedication and wealth of knowledge helped shape my academic growth and inspired me to pursue this work with determination

My heartfelt appreciation goes to my parents, Mr. and Mrs. Nwafor, whose unconditional love, prayers, sacrifices, and moral support have been my strongest pillar. Your encouragement inspired me to persevere through the challenges of this academic journey.

I also sincerely appreciate my friends, Gabriella Aikhegbe, Lucy Eriamiatoe, Ose Vin-Ighalo and Amaka Nwachukwu for their constant encouragement, assistance, and companionship. Your support made this journey lighter and more fulfilling.

I also wish to sincerely appreciate Emeka Emmanuel, whose encouragement, patience and unwavering support have been my greatest source of strength throughout this journey.

His belief in me kept me motivated and focused until the successful completion of this project.

TABLE OF CONTENTS

Title page	-	-	-	-	-	-	-	-	-	i
Certification	-	-	-	-	-	-	-	-	-	ii
Dedication	-	-	-	-	-	-	-	-	-	iii
Acknowledgements	-	-	-	-	-	-	-	-	-	iv
Table of Contents	-	-	-	-	-	-	-	-	-	vi
CHAPTER ONE: BACKGROUND TO THE STUDY										-
Introduction	-	-	-	-	-	-	-	-	-	1
Aims and Objectives of the Study	-	-	-	-	-	-	-	-	-	4
Scope of the Study	-	-	-	-	-	-	-	-	-	5
Methodology	-	-	-	-	-	-	-	-	-	5
Literature Review	-	-	-	-	-	-	-	-	-	6
Endnote	-	-	-	-	-	-	-	-	-	11
CHAPTER TWO: EMERGENCE AND ROLE OF THE INTERNATIONAL MONETARY FUND IMF IN INTERNATIONAL ECONOMICS										-
Evolution of the International Economic System	-	-	-	-	-	-	-	-	-	13
Background to the Establishment of the International Monetary Fund	-	-	-	-	-	-	-	-	-	14
Establishment of the International Monetary Fund	-	-	-	-	-	-	-	-	-	15
Criticism of the Organisation by Third World Countries	-	-	-	-	-	-	-	-	-	19
Endnotes	-	-	-	-	-	-	-	-	-	21

**CHAPTER THREE: INTERNATIONAL MONETARY FUND IMF
INTERVENTION IN THE NIGERIAN ECONOMY 1985-1999**

Introduction	-	-	-	-	-	-	-	-	-	23
The Adoption of Structural Adjustment Program (SAP) by Babangida										25
The fallout from the Structural Adjustment Program										27
Endnote	-	-	-	-	-	-	-	-	-	32

**CHAPTER FOUR: INTERNATIONAL MONETARY FUND IMF
INTERVENTION IN THE NIGERIAN ECONOMY 1999-2007**

Introduction	-	-	-	-	-	-	-	-	-	34
Prelude to the Obasanjo's Regime 1993-1999										35
Economic Achievements of the Obasanjo Regime	-	-	-	-	-	-	-	-	-	36
Debt Relief and the Role of the International Monetary Fund										37
Endnote	-	-	-	-	-	-	-	-	-	41

CHAPTER FIVE: CONCLUSION

Conclusion	-	-	-	-	-	-	-	-	-	43
Endnote	-	-	-	-	-	-	-	-	-	47

CHAPTER ONE

BACKGROUND TO THE STUDY

Introduction

The president of Nigeria Bola Ahmed Tinubu was widely celebrated over the repayment of \$3.4 billion in emergency funding the nation received from the International Monetary Fund (IMF)¹. The funds was procured by the previous Buhari administration to help the country cope with the impact of the coronavirus pandemic five years ago. The procurement of loans from the International Monetary Fund IMF is not a novel occurrence in the nations history. Nigeria has in the past collaborated with the international "lender of last resort" on various initiatives, including loan arrangements and policy support instruments, to support its economic development and address balance of payment difficulties.

The Intentional Monetary Fund IMF is a leading financial institution in the international economic system. The institution was established at the Bretton Woods conference in 1944². Prior to the establishment of the IMF the world witnessed a major economic crisis known as the Great Depression. The global economic downturn lasted from 1929 till about the late 1930s. During the crisis countries jettisoned the principles of economic liberalism which had shaped the international economic system since the 18th century. States adopted "beggar thy neighbor" policies³. Barriers to trade were sharply raised in an attempt to improve their failing economies. This led to the devaluation of national currencies and a decline in world trade.

The victorious western powers at the end of the second world war were not just interested in establishing a stable international political order but also a flourishing international economic system based on the principles of liberalism. Their goal was to promote openness of international trade and stimulate international capital flows while establishing a stable exchange-rate system. In 1944 representatives of 45 governments met at the Bretton Woods Conference in the Mount Washington Hotel in Bretton Woods, New Hampshire, in the United States, to discuss a framework for postwar international economic cooperation and how to rebuild Europe. Two important institutions, so-called Bretton Woods institutions were born out of the meeting, namely the International Bank for Reconstruction and Development known as World Bank and the International Monetary Fund IMF. The International Monetary Fund IMF formally came into existence on 27 December 1945, when the first 29 countries ratified its Articles of Agreement. By the end of 1946 the IMF had grown to 39 members. On 1 March 1947, the IMF began its financial operations

The institution with headquarters in Washington DC has grown to 191 members. The International Monetary Fund is regarded as the global lender of last resort to national governments, and a leading supporter of exchange-rate stability. Its stated mission is "working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world⁴. The current Managing Director (MD) and Chairperson of the International Monetary Fund (IMF) is Kristalina Georgieva an economist from

Bulgaria. In its early years, the IMF primarily focused on facilitating fixed exchange rates across the developed world. Currently the IMF now plays a central role in the management of balance of payments difficulties and international financial crises. Through a quota system, countries contribute funds to a pool from which countries can borrow if they experience balance of payments problems. The IMF works to stabilize and foster the economies of its member countries by its use of the fund, as well as other activities such as gathering and analyzing economic statistics and surveillance of its members' economies.

After gaining independence Nigeria joined the International Monetary Fund (IMF) on March 30, 1961. Early on, Nigeria had limited interaction with the International Monetary Fund this was due to robust economic growth experienced by the country in the 1960s and 1970s. Agricultural and later oil exports were the core drivers of the Nigerian economy⁵. The undue reliance on oil exports would later negatively impact the Nigerian economy

In the early 1980s the global economy experienced a recession leading to the decline in the global demand for oil and thus affecting the Nigerian revenue. The Shagari government 1979-1983 approached the International Monetary Fund regarding loan arrangement to save the ailing economy. True to form the International monetary fund IMF imposed certain conditionalities for considering a loan to Nigeria. Negotiations between the Shagari government and the International Monetary Fund were still ongoing when the government was overthrown. The succeeding military regime of General

Muhammadu Buhari refused to accept the conditions for the loans hence the negotiations collapsed.

Ibrahim Babangida succeeded the Buhari In 1985 after a successful military coup. His administration picked up the negotiations with the International Monetary Fund on the procurement of loans. The International Monetary Fund required states to restructure their economies as a condition for securing loans. This program was referred to as Structural Adjustmen Program SAP. Structural Adjustment Programmes (SAPs) was a system of conditional lending. The program required countries to liberalise their economies, opening them to international and domestic private capital, while at the sametime reducing the role of the state in economic governance⁶.

The military president General Ibrahim Babangida 1985-1993 introduced the Structural Adjustment Program (SAP) in 1986 as a response to the country's economic crisis caused by falling oil prices and mounting debt. Nevertheless, the SAP led to widespread hardship, inflation, unemployment, and increased poverty, sparking protests and long-lasting public resentment toward Babangida's regime⁷. There were popular protest against the impact of the scheme.

President Olusegun Obasanjo during his regime as civilian president 1999-2007 worked closely with the International Monetary Fund (IMF) as part of Nigeria's broader economic reform and debt relief efforts. Although Nigeria did not take new loans from the IMF during this period, her partnership with the international monetary fund IMF contributed to the historic \$18 billion debt relief Nigeria secured from the Paris Club in

2005. The IMF's endorsement of Nigeria's reform progress was instrumental in persuading creditors to grant the debt cancellation⁸.

Aims and Objectives

The study examines the International Monetary Fund intervention in Nigeria from 1985-2007

1. To examine the evolution of the International Monetary Fund
2. To examine the role of the International Monetary Fund in the Nigerian economy.
3. To examine the impact of the structural adjustment program SAP on the Nigerian economy 1985-1993
4. To examine Nigeria cooperation with the IMF under president Olusegun Obasanjo 1999-2007
5. To examine the role of the IMF in Nigeria debt relief under Obasanjo 1999-2007

Scope of the Study

The scope of the study covers the intervention of the international monetary fund IMF in the Nigerian economy from 1985- 2007.

Methodology

The credibility and authenticity of any research depends on the methods employed: the process of gathering, processing and analyzing data. The research methodology relies on the historical method based on time and space. This study makes use of both primary and secondary source. The primary sources includes; oral interviews, newspapers, government publications. The secondary sources include textbooks, journals, articles, online sources. Textbooks were obtained from the John Harris library in the university of Benin. Journals and articles obtained from the internet were used in the research

Literature Review

There are several scholarly literature that are relevant in examining the intervention of the International Monetary Fund in Nigeria

Karen A .Mingst and Ivan M. Arruguin-Toft in the text *Essentials of international relations*⁹ provide a systematic understanding on the subject of international relations exploring relevant themes in the feild. The book discussed the historical processes behind the establishment of the International Monetary Fund and the evolution of the institution in the international economic system. The book however did not discuss case studies of IMF intervention in national economies. The work specifically focuses on IMF intervention in Nigeria

S. O Ajayi in the chapter titled "*International economic relations: an overview*" in the text book *Themes in International Studies and Diplomacy*¹⁰ traced the evolution of

the international economic system from the 15th century to the current global integrated economic system. The author criticised international financial institutions such as the IMF in perpetrating the economic dependence of the global south. The institutional frame of the Bretton Wood system and the exclusion of Third World countries from political management of Bretton Wood institutions were key criticism highlighted by the author. The work did not specifically discuss IMF intervention in Nigeria

The book *International Relations* by Norman D. Palmer and Howard C. Perkins covers core subjects in international relations. The text discussed the Bretton Woods conference as the financial half of the conference in San Francisco in 1944. The conference was the precursor to the establishment International Monetary Fund. The work also detailed the role of the IMF in ensuring monetary stability in international economics. The work did not specifically discuss the relationship between Nigeria and the IMF. This works covers that gap focusing specifically the Babangida and Obasanjo regime

Alex Thomson in his book *An Introduction to African Politics*¹² discusses the economic challenges faced by post colonial African states and it's internal and external roots. He detailed common themes such as exploitation unemployment, poverty debt etc. The work examined the conditions imposed by the International Monetary Fund IMF on African states facing balance of payment difficulties under its Structural Adjustment Program SAP introduced in the 1980s. The economic restructuring demanded by the International Monetary Fund inorder to procure loans had adverse political, economic and

social fallout in African states which adopted the reforms. This work discusses the fallout of the introduction of SAP specifically In Nigeria

E.O Erhagbe in his chapter "*The Dynamics of the evolution of Nigeria as a political unit*" in the text *the Nigerian Peoples and Culture*¹³, examined the historical evolution of the Nigerian state, highlighting each successive government from independence till 1999. The period of military rule beginning in 1966 including the administration of General Ibrahim Babangida 1985-1993 was discussed. The different controversies that plagued the Babangida regime including the SAP protests, political transition process and the June 12 1993 election Saga were highlighted. This work also examined Nigeria's relationship with the IMF leading to the debt relief during the Obasanjo regime

Sam Momah In his autobiography *Nigeria Beyond Divorce: Amalgamation in Perspective* examined the thirty three year period of military rule in Nigeria¹⁴. He highlighted the intrigues of coup and counter coup that characterized the period. The success and failures of each military regime was examined by the author. The policies initiatives of the administration General Ibrahim Babangida 1985-1993 was discussed including the introduction of the Structural Adjustment Program SAP on recommendation from the International Monetary Fund. This work examined the negotiations with the Paris Club that led to the debt relief in Obasanjo's regime

General Ibrahim Babangida in his autobiography *A Journey of Service*¹⁵ gives rare insight into his military career including his time as military president. In the book the

former president explained the considerations and calculations behind his government's adoption of the Structural Adjustment Program. He painstakingly highlighted the success of the reforms introduced under SAP. The book also discussed the consequent social fallout from SAP in the form of protest and defended the government's harsh measures against the protesters. This work also discussed relations with the IMF in succeeding regime including President Obasanjo

Mathias Chukwudi Isiani, Ngozika Anthonia Obi-Ani, Paul Obi-Ani, Chukwudi G Chidume, Stella Okoye-Ugwu in the article "*Interrogating the international monetary fund (IMF) policies in Nigeria, 1986–2018*"¹⁶ in the journal of Cogent Arts & Humanities. The paper argues that the acceptance of the IMF Structural Adjustment Program during General Ibrahim Babangida's regime among other misgovernance perpetuated the economic woes and fostered the backwardness of the country. The paper focused on the negative economic and social consequences of SAP. The work broadens the discussion to include the Obasanjo regime

The article "*The Political Economy of Nigeria's Foreign Policy under Babangida's Administration, 1985-1993*"¹⁷ in the International Journal of History and Cultural by Paul Uche Mbakwe, and Joseph C. Chukwu Studies (IJHCS) adopted a political economy approach in discussing the nexus between the structure of Nigeria's economy and its foreign policy initiatives from 1985-1993 when General Ibrahim Badamosi Babangida ruled Nigeria as military president. The paper argues that the government of Babangida made economic interests the focus of Nigeria's foreign policy

engagement. The objectives of SAP were incorporated into Nigeria's foreign policy agenda. This work also looks at the IMF role in Obasanjo's economic diplomacy leading to the debt relief

The paper *"The Year of the IMF"*¹⁸ written by Peter Blackburn in the African report discuss the public debate and subsequent rejection by the Nigerian populace of the governments proposed plan of procuring International Monetary Fund loan agreement-during the Babangida administration 1985-1993. The author also examines the courageous gamble of the administration to go ahead with the recommendations of the IMF despite public opinion. This work examined the role of Ngozi Okonjo Nweala in pushing economic reforms during the Obasanjo regime

John Chukwudi Anwu paper titled *"President Babangida's structural adjustment programme and inflation in Nigeria"*¹⁹ in the Journal of Social Development in Africa discuss how the devaluation of the Nigerian currency became the catalyst for inflation in the Nigerian economy under president Babangida. The uncontrolled increase in price of essential commodities was a major source of grievance for the protesters. The work broadens the discussion to include the Obasanjo regime

The article *"Economic Diplomacy and the Conduct of Nigeria's Foreign Policy Under Obasanjo's Administration"*²⁰ in the Nigerian Journal of International affairs written by Aloysius- Micheals, Okolie examined the interplay between domestic economic realities and the conduct of Nigeria's foreign policy under the administration of Olusegun Obasanjo 1999-2007. The work highlighted the role of Dr Ngozi Okonjo

Nweala the then finance minister in negotiating the debt relief agreement with the Paris Club. This work first examined Nigeria's relationship with the IMF under the Babangida regime

A.S. Akpotor work *"Nigeria's Foreign Policy and Economic Growth under Obasanjo in African"* ²¹in the Journal of International Affairs, examines the inter-play between foreign policy and the growth of the Nigerian economy under president Olusegun Obasanjo 1999-2007. The paper includes Nigeria's positive interactions with the international monetary fund in this period including the International Monetary Fund Policy Support Instrument PSI which was a vital part of the economic reforms undertaken by the organisation. This work first examined Nigeria's relationship with the IMF under the Babangida regime

Michael Olufemi Famiyesin & Gbenga Olotu, " *An Examination of Nigeria's Foreign Policy under President Olusegun Obasanjo (1999-2007) The Significance of Image Branding and Reconstruction Initiatives*"²². examined Nigeria's foreign policy during Olusegun Obasanjo's presidency (1999-2007), focusing on the internal and external factors that shaped the country's diplomatic direction. It explores the domestic challenges, such as the image crisis and debt issues Nigeria faced before 1999, and the impact of Obasanjo's personality on foreign policy management. This work discussed the decline in Nigeria's economic fortunes under Abacha which was the background to the Obasanjo regime

Eze U.C. article *"Debt Cancellation and Economic Reforms: The Obasanjo Diplomacy"*²³ in West African Review, discussed the strategic diplomatic approach of the Obasanjo administration 1999-2007 in securing the cancellation of Nigeria's external debt. The role of the International Monetary Fund under its Policy Support Instrument PSI in securing the debt relief was discussed. The work discuss IMF intervention during the Babangida regime which provides a prelude to the Obasanjo regime

Endnotes

1. Reuters, “Nigeria Repays \$3.4 Billion COVID-19 Funding,” Retrieved, from <https://www.reuters.com/world/africa/imf-says-nigeria-repays-34-billion-covid-19-funding.on> 6/6/2025
2. Norman C. Palmer and Howard C. Perkins, *International Relations*, 3rd ed. (New Delhi: AITBS Publishers, 2015).
3. Karen A. Mingst and Ivan M. Arruguín, *Essentials of International Relations*, 7th ed. (New York: W. W. Norton & Company, 2017).
4. International Monetary Fund, “About the IMF,” Retrieved, from <https://www.imf.org/en/About>. On 4/6/2025
5. Paul Uche Mbakwe and Joseph C. Chukwu, “The Political Economy of Nigeria’s Foreign Policy under Babangida’s Administration, 1985–1993,” *International Journal of History and Cultural Studies (IJHCS)* 2, no. 2 (2016): 28.
6. Alex Thomson, *An Introduction to African Politics*, 2nd ed. (London: Routledge, 2004).
7. Mathias Chukwudi Isiani, Ngozika Anthonia Obi-Ani, Paul Obi-Ani, Chukwudi G. Chidume, and Stella Okoye-Ugwu, “Interrogating the International Monetary Fund (IMF) Policies in Nigeria, 1986–2018,” *Cogent Social Sciences* 8, no. 1 (2021): 1932283.
8. U. C. Eze, “Debt Cancellation and Economic Reforms: The Obasanjo Diplomacy,” *West African Review* 10, no. 1 (2009): 30–47.
9. Mingst and Arruguín, *Essentials of International Relations*, 7th ed.
10. S. O. Ajayi, “International Economic Relations: An Overview,” in *Themes in International Studies and Diplomacy*, ed. Fred I. A. Omu and Leo E. Otoide (Benin City: Department of History and International Studies, University of Benin, 2002).
11. Palmer and Perkins, *International Relations*, 3rd ed.

12. Thomson, *An Introduction to African Politics*.
13. E. O. Erhagbe, "The Dynamics of the Evolution of Nigeria as a Political Unit," in *Nigerian Peoples and Culture*, 2nd ed., ed. A. D. Nzemeke and E. O. Erhagbe (Benin City: Mindex, 2002).
14. Sam Momah, *Nigeria Beyond Divorce: Amalgamation in Perspective* (Ibadan: Safari Books, 2013).
15. Ibrahim Babangida, *A Journey of Service* (Ibadan: Bookcraft Africa, 2025).
16. Isiani et al., "Interrogating the International Monetary Fund (IMF) Policies in Nigeria, 1986–2018."
17. Paul Uche Mbakwe, "The Political Economy of Nigeria's Foreign Policy under President Ibrahim Babangida's Administration, 1985–1993" (M.Sc. diss., Abia State University Uturu, 1997).
18. Peter Blackburn, "The Year of the IMF," *Africa Report* 31, no. 6 (1986): 18.
19. J. C. A. Anwu, "President Babangida's Structural Adjustment Programme and Inflation in Nigeria," *Journal of Social Development in Africa* 7 (1992): 1–5.
20. Aloysius-Michaels Okolie, "Economic Diplomacy and the Conduct of Nigeria's Foreign Policy under Obasanjo's Administration," *Nigerian Journal of International Affairs (NJIA)* 36, no. 2 (2010)
21. A. S. Akpotor, "Nigeria's Foreign Policy and Economic Growth under Obasanjo," *African Journal of International Affairs* 8, no. 2 (2007): 45–63.
22. Michael Olufemi Famiyesin and Gbenga Olotu, "An Examination of Nigeria's Foreign Policy under President Olusegun Obasanjo (1999–2007): The Significance of Image Branding and Reconstruction Initiatives," *Fuoye Journal of Management, Innovation and Entrepreneurship* 3, no. 2 (2024): 206–19.
23. Eze, "Debt Cancellation and Economic Reforms."

CHAPTER TWO

EMERGENCE AND ROLE OF THE INTERNATIONAL MONETARY FUND IMF IN INTERNATIONAL ECONOMICS

Introduction

At the end of the second world war the global economy was in shambles. The victorious western powers were not just interested in establishing a stable international political order but also a flourishing international economic system based on the principles of economic liberalism. To achieve this objective policy makers established two important International financial institutions, one of which was the International Monetary Fund IMF. The International Monetary Fund is a leading financial institution in the international economic system. The institution plays a crucial role in the stability of the global economy. Nevertheless the institution has been heavily criticised by third world countries especially its policies on conditions for loans.

The International monetary fund has faced criticised especially from third world countries. The organisation has been accused of favouring the economic interests of the western powers. The conditions associated with IMF loans is a major talking point. A classic case study was the Structural Adjustment Programmes (SAPs) introduced by the IMF in the early 1980s to assist third world countries The program was a system of conditional lending requiring countries to liberalise their economies, opening them to international and domestic private capital, while at the sametime reducing the role of the state in economic governance. The Babangida regime 1985-1993 adopted the SAP policies in 1986 in order to revive Nigeria's failing national economy

Evolution of the International Economic System

The evolution of the international economic system is intertwined with the evolution of the state centric international political system. From the 15th century there was an accelerated integration of most part of the world into a global economic system¹. This integration was facilitated by development in maritime technology, commercial interest of European states and religious motives. European states played a dominant role in the evolution of the emerging international economic system². The ideology that undergirded European states economic policies from the 16th to the 18th century was mercantilism. Mercantilism emphasizes the accumulation of wealth especially gold and silver through a positive balance of trade and strong state control over the economy³. The philosophy advocates that a state should harness its economic strength to further national interests

By the late 1700s, however, mercantilism began to decline with the rise of classical economic as espoused by economic theorist beginning with Adam Smith. The writings of Adam Smith laid the foundation for the ideology of economic liberalism that has profoundly shaped the contemporary international economic system⁴. David Ricardo, John Stuart Mill, Jean Baptiste Say and other theorist also contributed to the development of economic liberalism. The theory which favoured free trade was directly opposed to the protectionism of mercantilism. Technological advancement occasioned by the industrial revolution in the 19th century would create the enabling environment for economic liberalism to thrive. Great Britain perfected the art of economic liberalism by lowering its

own tariffs, opening its markets, policing the sea to provide safer transit, and encouraging investment abroad. By 1900 Great Britain's global commercial empire encompassed about a quarter of the earth's land surface⁵.

Background to the Establishment of the International Monetary Fund

The crash of the New York stock exchange in October 1929 marked the beginning of a global economic crisis known as the Great Depression⁶. The period of economic downturn lasted till the late 1930s with consequent political and socio-economic impacts globally. During the crisis countries jettisoned the principles of economic liberalism which had shaped the international economic system since the 18th century. Protectionist policies reminiscent of mercantilism were adopted by states. States adopted “beggar thy neighbor” policies⁷. Barriers to trade were sharply raised in an attempt to improve their failing economies. This led to the devaluation of national currencies and a decline in world trade.

The economic crisis of the Great Depression preceded World War II. The destructive global conflict also took its toll on the international economy. World War II had severe negative economic impacts on the global economy, primarily through the widespread destruction of infrastructure, industry, and human capital. Cities, factories, and transportation networks across Europe and Asia were devastated, leading to significant declines in production and trade⁸. The loss of tens of millions of lives, many of them working-age adults, crippled labor forces and disrupted economic activity. Additionally, countries diverted vast resources toward military efforts, leaving little for

civilian needs or development. In the aftermath, many nations faced massive debts, inflation, and the high costs of reconstruction, which further strained their economies and delayed recovery.

Establishment of the International Monetary Fund

At the end of the second world war a new international economic order needed to be established. The victorious western powers at the end of the second world war were not just interested in establishing a stable international political order but also a flourishing international economic system based on the principles of liberalism. Their goal was to promote openness of international trade and stimulate international capital flows while establishing a stable exchange-rate system. In 1944 representatives of 45 governments met at the Bretton Woods Conference in the Mount Washington Hotel in Bretton Woods, New Hampshire, in the United States,⁹ to discuss a framework for postwar international economic cooperation and how to rebuild Europe. The representatives at the conference acted under the assumption that no peace could last if economic and financial chaos prevailed

The Bretton Woods conference was the financial half of the conference in San Francisco. The conference held from July 1st to July 22nd 1944¹⁰. The most important fall out from the conference was the birth of two important institutions, so-called Bretton Woods institutions,¹¹ namely the International Bank for Reconstruction and Development known as World Bank and the International Monetary Fund IMF. The International Monetary Fund IMF formally came into existence on 27 December 1945, when the first

29 countries ratified its Articles of Agreement. By the end of 1946 the IMF had grown to 39 members. On 1 March 1947, the IMF began its financial operations

The Role of the International Monetary Fund in the International Economic System

The institution with headquarters in Washington DC has grown to 191 members¹². The IMF is often described as a United Nations (UN) specialized agency. The organisation is regarded as the global lender of last resort to national governments, and a leading supporter of exchange-rate stability¹³. Its stated mission is "working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world"¹⁴

At the top of its organizational structure is the Board of Governors, consisting of one governor (usually the minister of finance or the governor of the central bank) and one alternate governor from each member country. All powers of the IMF are vested in the Board of Governors. The day-to-day work of the IMF is overseen by its 25-member Executive Board, which represents the entire membership and is supported by IMF staff¹⁵. The Managing Director is the head of the IMF staff and Chair of the Executive Board and is assisted by four Deputy Managing Directors. The current Managing Director (MD) and Chairperson of the International Monetary Fund (IMF) is Kristalina Georgieva an economist from Bulgaria. She emerged as the Managing Director of the institution in September 2019 after the resignation of Christine Lagarde, who left to become head of the European Central Bank (ECB)¹⁶. On October 1st 2024: Kristalina Georgieva began a

second five year term as head of the organisation. The IMF has 18 departments that carry out its country, policy, analytical, and technical work.

The IMF is described as a United Nations (UN) specialized agency, founded at the Bretton Woods Conference in 1944 to secure international monetary cooperation to stabilize currency exchange rates, and to expand international liquidity (access to hard currencies)¹⁷. In its early years, the IMF primarily focused on facilitating fixed exchange rates across the developed world.. From the 1940s to the 1970s, the United States guaranteed the stability of this system by fixing the value of the dollar against gold at \$35 an ounce¹⁸. In 1972, however, this system collapsed when the United States announced that it would no longer guarantee a system of fixed exchange rates. After the collapse of the gold standard system the international monetary fund in 1976 formalized system of floating exchange rates in order to ensure continued stability of exchange rates¹⁹

A prominent responsibility of the institution is helping states manage and overcome balance of payment difficulties. Unlike the World Bank the IMF does not lend for specific projects. Instead, the IMF provides financial support to countries hit by crises to create breathing room as they implement policies that restore economic stability and growth²¹. It also provides precautionary financing to help prevent crises. Through a quota system, countries contribute funds to a pool from which countries can borrow if they experience balance of payments problems.

A recent example of such financial assistance in the time of crisis was the sum of \$3.4 billion in emergency funding received by Nigeria from the International Monetary

Fund (IMF) in April 2020²¹. The funds was procured by the Buhari administration 2015-2023 to help the country cope with the financial impact of the Coronavirus pandemic. Also in March 2023 Sri Lanka secured a \$3bn (£2.4bn) bailout from the International Monetary Fund (IMF) as assistance in managing the nation's worst financial crisis since independence²². The financial aid was instrumental in the economic recovery witnessed by the state.

A core responsibility of the IMF is monitoring the economic and financial policies of member countries and providing them with policy advice, an activity known as surveillance. The organisation analyses and predicts global economic trends providing valuable insight. The IMF forecast of Nigeria's economic growth for 2025 is 3%²³. As part of this process, which also takes place at the global and regional levels, the IMF identifies potential risks and recommends appropriate policy adjustments to sustain economic growth and promote financial stability. The institution also strengthens the capacity of institutions including central banks, finance ministries, revenue administrations, statistical agencies, and financial sector supervisory agencies results in more effective policies and greater economic stability. The IMF works with member countries to modernize their economic policies and make institutions more effective by providing demand driven, tailored technical assistance and training focused on issues that are critical to economic stability and growth. Capacity development can help countries improve tax collection, modernize monetary and exchange rate policies, develop legal systems, strengthen governance, collect and disseminate data, and much more.

Criticism of the Organisation by Third World Countries

The international monetary fund is a leading international economic institution however the institution has received criticism especially from third world countries over its structure and policies. Developing countries have decried the limited voting power and representation of their states in the decision making processes, of the organisation leading to concerns about the institution's accountability and legitimacy. Developing countries have accused the institution of favouring the interest of the rich powerful countries such as the United States and European states over the interests of developing or third world countries²⁴.

The process of selecting the Managing Director of the International Monetary Fund (IMF) has been a recurring source of controversy. Throughout the history of the institution the post of Managing Director has been filled by a European. This alongside the fact that the other foremost international institution the world Bank is usually headed by an American, easily creates breeding ground for accusations of discrimination and lack of transparency especially from third world countries.

A core bone of contention between the institution and developing states is the conditions imposed by the institution to secure procurement of loans. The International Monetary Fund usually requires states to adopt policies of economic liberalization as a prerequisite for securing loans²⁵. The organisations push for privatization and deregulation

has led to concerns by third world countries about the creation of private monopolies, undermining local industries, and compromising social welfare. The structural adjustment program SAP introduced by the institution in the 1980s exemplifies this fact.

In conclusion, with the economies of many African and other third world states imploding as a result of the global economic downturn in the early 1980s many governments were forced to turn to the international monetary fund²⁶. The organisation introduced the Structural Adjustment Program SAP which required states to make changes to their economic policy. They were encouraged to liberalise their economies, opening them to international and domestic private capital, while at the sametime reducing the role of the state in economic governance²⁷. The adoption of SAP economic policies by many third world countries including Nigeria had consequent negative political and socio-economic impact hence the criticism of the organisation. Against public opinion the Military regime of General Ibrahim Badamosi Babangida 1985-1993 introduced SAP policies in Nigeria in 1986 leading to dire consequences.

Endnotes

1. S. O. Ajayi, "International Economic Relations: An Overview," in *Themes in International Studies and Diplomacy*, ed. Fred I. A. Omu and Leo E. Otoide (Benin City: Department of History and International Studies, University of Benin, 2002), 198.
2. Ibid., 198.
3. Karen A. Mingst and Ivan M. Arruguín, *Essentials of International Relations*, 7th ed. (New York: W. W. Norton & Company, 2017), 219.
4. Robert L. Heilbroner, *The Worldly Philosophers: The Lives, Times and Ideas of the Great Economic Thinkers*, 7th ed. (New York: Touchstone, 1999), 55.
5. Steven Hause and William Maltby, *Western Civilization: A History of European Society*, 2nd ed. (London: Wadsworth Publishing, 2005), 531.
6. John T. Rourke, *International Politics on the World Stage*, 6th ed. (Connecticut: Dushkin/McGraw-Hill, 1997), 37.
7. Mingst and Arruguín, *Essentials of International Relations*, 320.
8. Hause and Maltby, *Western Civilization: A History of European Society*, 618.
9. Norman C. Palmer and Howard C. Perkins, *International Relations*, 3rd ed. (Delhi: AITBS, 2015), 311.
10. Ibid., 311.
11. International Monetary Fund, "About the IMF," accessed June 17, 2025, <https://www.imf.org/en/Home>.
12. Abuoma C. Agajelu, Nwachukwu J. Obiakor, and Leo O. Nnoli, "A History of the IMF–Nigeria Relations Since the 1970s," *International Journal for Social Studies* 2, no. 8 (2016): 108.
13. BBC News, "IMF Names Kristalina Georgieva as New Head," September 25, 2019, retrieved from <https://www.bbc.com/news/business-49833220> on 17/ 06/ 2025

14. Robert J. Carbaugh, *International Economics*, 18th ed. (Boston: Cengage Learning, 2023).
15. Reuters, “Nigeria Repays \$34-Billion COVID-19 Funding,” May 8, 2025, retrieved from, <https://www.reuters.com/world/africa/imf-says-nigeria-repays-34-billion-covid-19-funding-2025-05-08> on 2 /06/ 2025
16. BBC News, “Sri Lanka: \$3bn IMF Bailout for Struggling Economy, March 20 2023”, retrieved from <https://www.bbc.com/news/business-65010560>. on 16/6/2025
17. Vanguard, “IMF Raises Forecast for Nigeria’s Economic Growth to 3.3%,” April 2024, retrieved from <https://www.vanguardngr.com/2024/04/imf-raises-forecast-for-nigerias-economic-growth-to-3-3/>. on 17/7/2025
18. Mathias Chukwudi Isiani, Ngozika Anthonia Obi-Ani, Paul Obi-Ani, Chukwudi G. Chidume, and Stella Okoye-Ugwu, “Interrogating the International Monetary Fund (IMF) Policies in Nigeria, 1986–2018,” *Cogent Social Sciences* 8, no. 1 (2021): 1932283.
19. Alex Thomson, *An Introduction to African Politics*, 2nd ed. (London: Routledge, 2004).

CHAPTER THREE

INTERNATIONAL MONETARY FUND IMF INTERVENTION IN THE NIGERIAN ECONOMY 1985-1999

Introduction

The International Monetary Fund IMF was established at the end of the second world to promote openness of international trade and stimulate international capital flows while establishing a stable exchange-rate system. The IMF is a major global financial institution playing a crucial role in the stability of the global economy. Like other states Nigeria has collaborated with the international "lender of last resort" on various initiatives, including loan arrangements and policy support instruments, to support its economic development and address balance of payment difficulties.

Nigeria's interactions with the International Monetary Fund was limited until the 1980s. The Nigerian economy initially built on agricultural exports in the 1960s transitioned into a mono-economy dependent on crude oil exports. Nigeria soon became a major exporter of crude oil and benefited from the rise of oil prices in the 1970s. Nevertheless, as income increased so did government expenditure. The Nigerian government borrowed recklessly to fund her expenditure. Rising debt, corruption, mismanagement and a global recession all contributed to the fiscal crisis of the 1980s. The Nigerian government turned to the International Monetary Fund for assistance. However, the International Monetary Fund intervention came with conditions.

The internal economic realities and international pressure forced the military president General Ibrahim Babangida to adopt the International Monetary Fund Structural Adjustment Program SAP against the wishes of the people. The well intended SAP policies backfired leading to consequent political, economic and social fallout which has marred the legacy of the Babangida administration till date

Nigeria's Relations with the IMF 1960-1985

Nigeria did not have much interactions with the IMF until the 1980s. The core of Nigeria's economy immediately after gaining independence in 1960 was agriculture. Income was generated from the exports of products such as palm oil, cocoa, groundnut, rubber and cotton. As much as 75% of Nigeria export between 1960-1970 came from agricultural products¹. After the Nigerian civil war 1967-1970, crude oil replaced agricultural products as the key export product from Nigeria. The rise in oil prices in the 1970s accelerated the transition to oil. By 1980 oil exports accounted for 80% of total exports while agricultural products was a mere 7,5%². The oil boom was a period of significant economic growth and transformation in Nigeria driving rapid urbanisation and infrastructural development.

But despite the substantial increase in government revenue, corruption, mismanagement and reliance on oil would lay the foundation for future fiscal instability. A rising debt profile was a major problem that plagued the Nigerian economy at the time. The debts were from loans procured by the government from international financial institutions to fund expenditure. In the 1960s Nigeria borrowed from the International

Bank for Reconstruction and Development (IBRD), International Development Association (IDA) and Suppliers Credit and Contractor Finance, (SCCF). However, a greater percentage of public debt was contracted in the 1970s, loans were procured from the International Credit Market (I.C.M). By 1980 Nigeria had become one of the largest debtors of the third world countries³.

During the regime of Alhaji Shehu Shagari 1979-1983 the Nigerian economy was severely impacted by a global recession which occurred between 1980-1983. The price of oil in the international market fell due to a decline in demand. Nigeria's income been a mono economy dependent on oil revenues was grossly affected. The Shagari government adopted austerity measures to deal with the crisis however the austerity measures failed. To save the economy the government embarked on a borrowing spree. Procuring loans from the International Bank for Reconstruction and Development (IBRD), African Development Bank (AfOB) and other institutions

The loans exacerbated the already existing debt crisis, by 1982, Nigeria's outstanding public debt was estimated at 19.05 billion naira⁴. The government was forced to turn to the International Monetary Fund IMF for assistance asking for loans to the tune of 22 billion dollars⁵. The International Monetary Fund IMF required states to restructure their economies as a condition for securing loans. This program was referred to as Structural Adjustment Programmes SAP a system of conditional lending. The program required countries to liberalise their economies, opening them to international and domestic private capital, while at the same time reducing the role of the state in

economic governance. The negotiations were still ongoing when the Shagari government was overthrown. The succeeding government of Buhari and Idiagbon refused to accept the conditions for relief hence the negotiations collapsed. The Buhari government adopted austerity policies to stabilise including swapping Nigeria's crude oil for consumer goods however the crisis lingered

The Adoption of Structural Adjustment Program (SAP) by Babangida

The government of Babangida inherited the economic crisis from the previous administration. General Ibrahim Badamasi Babangida took over the reins of power on August 27th 1985⁶ after a military coup that overthrew General Buhari. According to him the regime change was informed by the widespread disquiet among the civil populace due to the severe economic hardship. Babangida believed that the previous Buhari government had failed to address the underlying issues at the heart of the economic crisis and that the economy was desperately in need of reform.

While the previous administration had flatly rejected IMF loans and the contingent Structural Adjustment Program SAP. The Babangida decided bring up the issue for public debate. Individuals from different cross section of the population including a business leaders, intellectuals, professionals, economics, marketwomen, and street side artisans took part in the debate⁷. The consensus opinion was a rejection of the IMF loan and it's conditionalities.

Although public opinion was against SAP the Babangida administration convinced of the economies need for reform across free market lines decided to take a

courageous gamble and went ahead to adopt SAP. On October 1985 the government declared a state of national economic emergency and on June 27th 1986 the International Monetary Fund IMF Structural Adjustment Program SAP was adopted⁸ The program required the government to liberalise the economy, opening it to international and domestic private capital, while at the same time reducing the role of the state in economic governance.

In the previous regime the shortage of foreign exchange and overvaluation of the Naira were monetary issues affecting the Nigerian economy leading to long queues due to shortages of essential commodities. To resolve this problem the Naira was deregulated through the Second Tier Foreign Exchange Market (SFEM)⁹. Instead of a fixed exchange rate guaranteed by the government, a floating exchange rate determined by market forces was put in place. This reforms allowed for easy access to foreign exchange, the naira was also devalued encouraging exports.

The government also opened up sectors of the economy to private participation. The broadcasting, banking and aviation industry were liberalised. Competition in these sectors promoted creativity and increased the quality of services provided¹⁰. The liberalization of the banking sector created new options and expanded access to credit facilities reducing queues in the banks. The aviation industry also blossomed, private operated airlines competed with the government owned Nigerian airways ensuring faster air travel free from bureaucratic red tape¹¹ Petroleum subsidies and subsidies on essential

goods (e.g., fertilizer, food) were reduced or removed. The government removed controls on interest rates, allowing market forces to determine lending and savings rates.

The privatisation and commercialisation of government owned enterprises was another arm of the economic reforms undertaken by the administration. In keeping with the belief that government has no business in business the Technical Committee on Privatization and Commercialization (TCPC) headed by Hamza Zayyad was set up in 1988 through decree no 25¹². The committee was established to oversee the process of selling or commercializing moribund state owned enterprises to reduce the financial burden on the government and ensure productivity. The work of the Technical Committee on Privatization and Commercialization (TCPC) laid the foundation for Bureau of Public Enterprises (BPE).

The fall out from the Structural Adjustment Program

The adoption of the Structural Adjustment Program SAP by the Babangida administration in 1986 was a courageous gamble¹³. The decision was reached after much consultations by the government with renowned Nigerian thinkers in business finance and economics. The consensus reached was that economic liberalization would provide long term solution to the nations economic woes.

Although the public opinion was against SAP, the program was adopted with all good intentions by the government. The reforms instituted by the government recorded some level of success, including, easier access to foreign exchange which facilitated commercial activities, increased private sector participation in the economy, privatisation

and commercialisation of moribund government enterprises. However, the program also had some negative economic repercussions with consequent socio-political effects.

On the economic front the Structural Adjustment Program SAP led to massive inflation due to the devaluation of the Nigerian currency. Data from the period shows that the value of the currency fell from Two naira per dollar to Twenty two naira per dollar¹⁴. Inflation rate rose from a mere 5.72% to 59.97%¹⁵. Thus while the inherited problem of scarcity of essential products was solved a new problem of price increase was created by SAP.

The removal of subsidies on petroleum, essential goods, education and health care and higher interest rates raised the cost of living. Unemployment increased as many government workers lost their jobs due to the privatisation of several government owned enterprises and businesses closed down. Between 1985-1993 the poverty rate increased from 12% to 13.6%¹⁶ indicating the programs adverse effect on the most vulnerable section of the population. Servicing of loans absorbed a large portion of the governments revenue. In the wake of the hardship Chukwuemeka Odumegwu Ojukwu, former secessionist leader of Biafra was quoted as saying¹⁷ "In the past you needed a pocketful of naira to bring home a basketful of goods. Now you seem to need a basketful of naira to bring back a pocketful of goods." An economist, Professor Sam Aluko also said¹⁸ "There is an alternative even to death, which is living. SAP is the kiss of death."

The adverse economic conditions had consequent social implications. Anti SAP protest broke out across the country. On 10 April 1988, the Nigerian National Petroleum

Corporation (NNPC) announced an increase in the cost of petroleum products. The increase in the price of petroleum products led to a concomitant increase in food prices and transportation costs. A peaceful protest at the University of Jos was held. The protests eventually snowballed beyond the student community resulting in the widespread destruction of state-owned property¹⁹. The prime movers of the riots and demonstrations were university students. Rumours that the then president, Ibrahim Babangida, his wife and chief of staff had overseas accounts further aggravated the situation. These rumours were put on handbills and distributed nationwide.

In November 1988, the 20th Senate meeting of the National Association of Nigerian Students NANS highlighted a 10-point demand and issued a six-week ultimatum to the government²⁰. These demands included the abolition of SAP, abolition of examination fees, increased education funding, remove security agents patrolling universities, free healthcare for the elderly, women and all Nigerians up to the age of 18, reopening of universities and provision of free education up to the secondary level. The duration of the ultimatum elapsed on 6 April 1989 and the 21st Senate of NANS was convened in Ibadan on 5 May 1989. The senate resolves to organise rallies on 16 May to highlight their demands.

Following the expiration of the NANS ultimatum, the students organised a seminar titled 'Pains of SAP' while the university organised a counter seminar titled 'Gains of SAP'. This did little to convince the students. The protests started with a peaceful demonstration by the students of the University of Benin on 24 May, 1989 they

processed with a mock coffin and green leaves chanting "SAP must go, we are dying of hunger in the name of SAP", "SAP is a vampire" and "We are fed up with the military and SAP". The peaceful protests soon turned into mob riots involving market women, hoodlums and gangsters. Petrol stations were burned down and about 809 prisoners in Benin were released²¹. The aim of the protest was to destabilise businesses in order to get the government to meet their demands. In the face of the protests, civilians also suffered because armed robbery and thuggery were also ongoing shrouded under the guise of the anti-government protests. NANS issued a 24-hour ultimatum to meet the 10-point demands in order to quell the protests. This was ignored by the government and demonstrations spread from the university campuses to some major urban centres.

In keeping with military rule the anti SAP protest was severely crackdown by the government. The government used the military and police force to suppress the student protest and labour union strikes. The military government closed 31 learning institutions, banned the National Association of Nigerian Students and charged it leaders to court²². It was alleged that the students were being used as instruments of political saboteurs a minister of communication was quoted as saying²³ "students cannot go on the rampage just because of a 2.5 kobo increase in fuel prices. How many students own cars?" Key labour union leaders, journalist and activities who were part of the protest were arrested and detained by the government. Critical media publications like the News watch and the Guardian were censored by the government.

The repression of the protest prevented a complete breakdown in law and order. In response to the criticism by citizens that SAP lacked a human face²⁴ palliative measures were adopted to help alleviate the sufferings occasioned by SAP. People's Bank of Nigeria was established in 1989 to provide small loans to low-income individuals without the need for collateral. National Directorate of Employment NDE was introduced in order to reduce unemployment by targeted job creation and vocational training. To aid commuters due to the high cost of transportation subsidized transport system known as Mass Transit Programmes was introduced

In conclusion, Directorate of Food, Roads and Rural Infrastructures DFRRRI was established to facilitate the development of rural areas often abandoned by the government. National Economic Reconstruction Fund NERFUND was a credit finance program without the necessary collateral. The program was created to provide capital for entrepreneurs with sound business Ideas. Mobilisation for Self Reliance, Social Justice, and Economic Recovery MAMSER was an agency created to educate the public on the vision of the government and mobilise support

Despite efforts to alleviate the sufferings of the people feelings of mistrust already existed. The heavy handed approach of the government of towards her critics created breeding ground for discontent and suspicion which would shape the election saga of June 12, 1993 that would eventually lead to the demise of the regime. The economic hardship occasioned by SAP and the June 12th saga has cast a dark shadow on the Ibrahim Babangida regime till date

Endnotes

1. Paul Uche Mbakwe and Joseph C. Chukwu, “The Political Economy of Nigeria’s Foreign Policy under Babangida’s Administration, 1985–1993,” *International Journal of History and Cultural Studies (IJHCS)* 2, no. 2 (2016): 28
2. I. O. Mbachu, “Determinants of Nigeria’s Foreign Policy” (M.Sc. Thesis, Abia State University, Uturu, 1992), 50–52.
3. N. E. Ogbe, *Evaluation of Nigeria’s Debt-Relief Experience (1985–1990)*, OECD Development Centre Working Papers, No. 55 (Paris: OECD Publishing, 1992).
4. Danyaya Muhammad Shehu, “An Assessment of President Shehu Shagari’s Foreign Policy Legacy: Continuity and Change in International Relations, 1979 to 1983,” *Current Science Research Bulletin* 1, no. 1 (2024): 21–25.
5. Ibid.
6. Sam Momah, *Nigeria Beyond Divorce: Amalgamation in Perspective* (Ibadan: Safari Books Ltd, 2013), 39.
7. Ibrahim Babangida, *A Journey of Service* (Ibadan: Bookcraft Africa, 2025), 158–71.
8. Abuoma C. Agajelu, Nwachukwu J. Obiakor, and Leo O. Nnoli, “A History of the IMF–Nigeria Relations Since the 1970s,” *International Journal for Social Studies* 2, no. 8 (2016): 115.
9. P. U. Mbakwe, “The Political Economy of Nigeria’s Foreign Policy under President Ibrahim Babangida’s Administration, 1985–1993” (M.Sc. diss., Abia State University, Uturu, 1997), 7.
10. Babangida, *A Journey of Service*, 158.
11. Ibid., 159.
12. Mathias Chukwudi Isiani, Ngozika Anthonia Obi-Ani, Paul Obi-Ani, Chukwudi G. Chidume, and Stella Okoye-Ugwu, “Interrogating the International Monetary Fund (IMF) Policies in Nigeria, 1986–2018,” *Cogent Social Sciences* 8, no. 1 (2021): 1932283.

13. Peter Blackburn, "The Year of the IMF," *Africa Report* 31, no. 6 (1986): 36–40.
14. Ann Ugheoke, "Economic Impact of IBB SAP in Five Charts," *BusinessDay* (Nigeria), retrieved from <https://businessday.ng/news/article/economic-impact-of-ibbs-sap-in-five-charts>. On 17/6/2025
15. J. C. A. Anwu, "President Babangida's Structural Adjustment Programme and Inflation in Nigeria," *Journal of Social Development in Africa* 7 (1992): 74–78.
16. Asad Ismi, "Impoverishing a Continent: The World Bank and the IMF in Africa," *Canadian Centre for Policy Alternatives* 7, no. 3 (2004): 8.
17. J. S. Omotola, "Through a Glass Darkly: Assessing the New War against Poverty in Nigeria," *African Insight* 36, no. 3–4 (2006): 68–185.
18. O. Aborisade, "Students' Political Activism in Nigeria," *African Studies Review* 40, no. 2 (1997): 43–66.
19. Jibrin Ibrahim, "The Student Movement and the Struggle for Democracy in Nigeria," *Review of African Political Economy* 18, no. 52 (1991): 61–74.
20. Julius O. Ihonvbere, "Structural Adjustment and Political Transition in Nigeria: The Critical Role of the Polity," *Africa Today* 38, no. 4 (1991): 5–25.

CHAPTER FOUR

INTERNATIONAL MONETARY FUND IMF INTERVENTION IN THE NIGERIAN ECONOMY 1999-2007

Introduction

Collaboration with international financial institutions such as the International Monetary Fund IMF has been a recurring theme in the history of Nigeria. Nigeria has in the past collaborated with the international "lender of last resort" on various initiatives, including loan arrangements and policy support instruments, to support its economic development and address balance of payment difficulties. Nigeria's interactions with the International Monetary Fund was limited until the 1980s. The Nigerian economy initially built on agricultural exports in the 1960s transitioned into a mono-economy dependent on crude oil exports. Nigeria soon became a major exporter of crude oil and benefited from the rise of oil prices in the 1970s

Nevertheless, as income increased so did government expenditure. The Nigerian government borrowed recklessly to fund her expenditure. Rising debt, corruption, mismanagement and a global recession all contributed to the fiscal crisis of the 1980s, forcing the Nigerian government to turn to the International Monetary Fund for assistance. The internal economic realities and international pressure forced the military president General Ibrahim Babangida to adopt the IMF Structural Adjustment Program SAP against the wishes of the people. The well intended SAP policies backfired leading to consequent political, economic and social fallout which has marred the legacy of the Babangida administration till date.

The succeeding Abacha administration despite favourable oil prices further plunged the country into economic misery. Corruption, mismanagement and human rights abuses adversely impacted the nations international image leading to economic ruin. By the time General Abdulsalami Abubakar was returning power to civilian rule in 1999, Nigeria external debt stood at \$30 billion

President Olusegun Obasanjo during his regime as civilian president 1999-2007 worked closely with the International Monetary Fund (IMF) as part of Nigeria's broader economic reform and debt relief efforts. Although Nigeria did not take new loans from the IMF during this period, her partnership with the International Monetary Fund IMF contributed to the historic \$18 billion debt relief Nigeria secured from the Paris Club in 2005. The IMF's endorsement of Nigeria's reform progress was instrumental in persuading creditors to grant the debt cancellation.

Prelude to the Obasanjo's Regime 1993-1999

The drama of the June 12, 1993 election Saga would lead to the demise of the Babangida regime. Babangida stepped aside from power on 27th August 1993¹ and an interim government headed by Chief Ernest Shonekan took over power. The chaotic reign of the interim government was brief. General Sani Abacha sacked the regime on 13th November 1993².

The administration of General Sani Abacha 1993-1999 was a low point for the nation. Nigeria's international image was tarnished as the regime was marked by political repression, economic mismanagement and social hardship. The nations treasury was

massively looted by Abacha and his associates. Economic conditions worsened due to sanctions imposed on the country by western powers. The sanctions were in response to the acts of human rights violations committed by the government. The execution of Saro Wiwa and the Ogoni 9 is a classic example. The sanctions isolated Nigeria from the global economy restricting access to aid and foreign investments. The problem of debt that had accumulated overtime continued in the Abacha regime. Despite the relatively stable income from oil exports, Nigeria's debt burden remained substantial. Abacha took a hard-line approach to debt negotiation stalling efforts to renegotiate debts and obtain relief. After the sudden death of Sani Abacha in June 1998. General Abdulsalami Abubakar assumed power. His administration inherited not only a fragile economy but also a massive debt overhang. His brief stint as head of state prevented any major breakthrough in negotiations for debt relief with external creditors.

Nigeria experienced thirty-three years of military rule with the democratic regime of Shagari and Shonekan's interim government sandwiched in between. In 1999 the nation finally transitioned back to democratic rule. After prolonged years of fruitless efforts realistic step was taken by General Abubakar to put an end to military dictatorship and therefore properly open the flood gates for a truly democratic practice

General Abdulsalami Abubakar diligently supervised the transition process. On 24th September, 1998 the electoral body released the list of registered political parties³. Presidential elections were conducted on 27th February 1999 by the Independent National Electoral Commission INEC⁴. The winner of the elections Chief Olusegun

Obasanjo of the Peoples Democratic Party PDP was sworn in as president on May 29, 1999 ushering in Nigeria's fourth republic.

Economic Achievements of the Obasanjo Regime

On assuming office, President Olusegun Obasanjo had to deal with the economic challenges that plagued the country. At the time the country's unemployment rate stood at about 10% with about 70 million Nigerians living in poverty⁵. Mismanagement and corruption had stagnated economic growth, foreign reserves was depleted and the external debt was substantial. Nigeria's external debt had ballooned to over \$30 billion, largely owed to the Paris Club of creditors⁶.

The Obasanjo administration 1999- 2007 recorded massive economic success compared to the previous regimes. There was significant increase in foreign direct investment (FDI), largely due to the President's economic diplomacy⁷. His administration focused on restoring Nigeria's global image, rebuilding international confidence, and fostering strong economic partnerships. This period marked a turning point for the country, as it regained credibility on the international stage and became a more attractive destination for foreign investors

The economic expansion was driven by multiple sectors, with oil and gas playing a dominant role due to rising global oil prices. However, agriculture and services also contributed significantly, benefiting from government reforms and increased private-sector participation. These sectors collectively helped sustain the country's growth momentum and improved Sectors such as telecommunications, banking, and oil & gas

witnessed significant growth as international companies took advantage of Nigeria's improving business environment. This influx of investment further strengthened the economy and created new employment opportunities⁸.

Nigeria experienced notable economic growth, with the GDP growth rate averaging around 2.2% between 1999 and 2003⁹. By 2001, the country's total GDP had reached approximately \$45 billion, marking a steady rise in economic performance. Per capita GDP, which had remained stagnant before 1990, began to improve during this period, growing at an average rate of 2.2% from 1999 to 2003¹⁰. This increase reflected better economic conditions and an improved standard of living for many Nigerians.

Debt Relief and the Role of the International Monetary Fund

One of the most notable achievements of this period was the successful negotiation of debt relief from the Paris Club. By 2005, Nigeria's debt situation had become increasingly unsustainable. With a total national revenue of around \$9 billion and a growing debt portfolio of approximately \$36 billion, the country faced severe financial constraints¹¹. However, a major breakthrough came later that year through negotiations with the Paris Club and London creditors. These agreements enabled Nigeria to repurchase nearly \$30 billion of its \$32 billion external debt through a onetime cash payment of \$12 billion¹².

This historic deal marked one of the largest debt relief arrangements ever secured by an African nation and significantly improved Nigeria's economic outlook. This move not only reduced the country's financial burden but also improved its creditworthiness,

making it a more attractive destination for foreign investors. The debt relief allowed the government to redirect funds toward key economic sectors, contributing to long-term growth and stability.

The International Monetary Fund IMF played a key role in the successful debt relief negotiations. To secure confidence from the nations external creditors. The administration adopted economic reforms under the National Economic Empowerment and Development Strategy (NEEDS)¹³. The program which started in 2003 was spearhead by the then minister of finance Dr. Ngozi Okonjo-Iweala. The reforms emphasized fiscal discipline, anti-corruption, transparency, and improved debt management

The National Economic Empowerment and Development Strategy NEEDS was developed as an indigenous economic framework, designed by Nigerians for Nigerians. This was a sharp contrast to the Structural Adjustment Program SAP which was externally dictated and rejected by the Nigerian populace. Under NEEDS, Nigeria recorded improvements in GDP growth, fiscal discipline, foreign reserves, and the banking sector. It also laid the groundwork for debt relief negotiations by showing Nigeria's commitment to reform

Nevertheless, Nigeria also needed external support to gain confidence with her creditors. External support came from the International Monetary Fund through its Policy Support Instrument (PSI)¹⁴. The Policy Support Instrument PSI is a non-financing instrument for low-income countries that do not want or need MF financial assistance. It enables countries to secure IMF advice and support to design programs that deliver

signals to donors, multilateral development banks, and markets of the strength of the country's economic policies.

The instrument promotes a close policy dialogue between the IMF and an eligible member country, to assist the country in implementing economic policies and reforms aimed at maintaining or consolidating macroeconomic stability and debt sustainability while delivering signals to donors, creditors, and the general public on the strength of these policies¹⁵.

By entering into the PSI, Nigeria allowed the IMF to monitor and evaluate its economic performance regularly, particularly in areas such as fiscal discipline, public finance management, anti-corruption measures, and structural reforms. The IMF's approval through the PSI gave Nigeria international credibility, signaling that its reforms were on the right track.

The finance minister Dr Okonjo Nweala played a tremendous role in ensuring the success of the debt relief negotiations. Drawing on her experience at the World Bank and international credibility she led the negotiations with the Paris Club¹⁶. She secured backing from the G8 countries by emphasizing Nigeria's reform momentum and long history of debt servicing despite economic hardship. Nigeria adoption of the PSI as opposed to taking loans from the International Monetary Fund was also her idea. Her bold strategy included a bulk upfront \$12 billion payment in arrears and buybacks in exchange for the \$18 billion cancellation leading to one of the largest and most successful debt relief agreements in Africa's history¹⁷.

In conclusion, this IMF endorsement was crucial in persuading the Paris Club creditors that Nigeria was committed to sound economic policies and capable of managing debt sustainably. As a result, Nigeria secured an \$18 billion debt cancellation and paid off another \$12 billion in return for a total \$30 billion debt relief agreement the largest in African history at the time. The IMF thus acted as a technical advisor and a seal of approval, bolstering Nigeria's credibility in global financial negotiations.

Endnotes

1. E. O. Erhagbe, "The Dynamics of the Evolution of Nigeria as a Political Unit," in *Nigerian Peoples and Culture*, 2nd ed., ed. A. D. Nzemeke and E. O. Erhagbe (Benin City: Mindex, 2002), 49.
2. Ibid., 49.
3. Sam Momah, *Nigeria Beyond Divorce: Amalgamation in Perspective* (Ibadan: Safari Books, 2013), 41.
4. Ibid., 41.
5. Federal Office of Statistics, *The Political Economy of Poverty, Equity and Growth* (Oxford: Oxford University Press, 1999), 40.
6. A. Nwankwo, "Sustainability of the Debt Relief: Nigeria's Case," *Great Insights* 2, no. 1 (2013): 109–15.
7. K. A. Balogun, "Obasanjo's Foreign Policy and Its Impact on Nigeria's Trade Relations," *West African Journal of International Affairs* (2006): 55–72.
8. O. Obayuwana, "An Aids Corps of Bountiful Dividends," *The Guardian* (Lagos), April 3, 2006, 15.
9. T. C. Eze, "Obasanjo's Foreign Policy Strategies and Their Economic Implications," *Nigerian Journal of International Politics* (2007): 44–61.
10. A. Mohammed, "Assessing the Economic Impact of Nigeria's Foreign Relations under Obasanjo," *African Journal of Political Science* (2009): 29–46.
11. Nwankwo, "Sustainability of the Debt Relief," 109–15.
12. Momah, *Nigeria Beyond Divorce*, 41.
13. Said Adejumobi, "Governance and Poverty Reduction in Africa: A Critique of Poverty Reduction Strategy Papers (PRSPs)," *International Journal of Social Economics* 37, no. 1 (2010): 110–22.

14. International Monetary Fund, “Policy Support Instrument (PSI),” updated 2023, retrieved from, <https://www.imf.org/en/About/Factsheets/Sheets/2023/Policy-Support-Instrument->.
20/7/ 2025
15. Ibid.
16. Ngozi Okonjo-Iweala, *Reforming the Unreformable: Lessons from Nigeria* (Cambridge, MA: MIT Press, 2012), 45–66.
17. L. E. Nwachukwu, “Nigeria’s Foreign Policy Shifts and Economic Development: The Obasanjo Years,” *International Journal of African Studies* (2009): 101–18

CHAPTER FIVE

CONCLUSION

The International Monetary Fund (IMF) is a leading financial institution in the international economic system. The institution was established at the Bretton Woods conference in 1944¹. Prior to the establishment of the IMF the world witnessed a major economic crisis known as the Great Depression. The global economic downturn lasted from 1929 till about the late 1930s. During the crisis countries jettisoned the principles of economic liberalism which had shaped the international economic system since the 18th century. States adopted “beggar thy neighbor” policies². Barriers to trade were sharply raised in an attempt to improve their failing economies. This led to the devaluation of national currencies and a decline in world trade.

The victorious western powers at the end of the second world war were not just interested in establishing a stable international political order but also a flourishing international economic system based on the principles of liberalism. Their goal was to promote openness of international trade and stimulate international capital flows while establishing a stable exchange-rate system. In 1944 representatives of 45 governments met at the Bretton Woods Conference in the Mount Washington Hotel in Bretton Woods, New Hampshire, in the United States³, to discuss a framework for postwar international economic cooperation and how to rebuild Europe. Two important institutions, so-called Bretton Woods institutions⁴ were born out of the meeting, namely the International Bank for Reconstruction and Development known as World Bank and the International

Monetary Fund IMF. The international monetary fund IMF formally came into existence on 27 December 1945, when the first 29 countries ratified its Articles of Agreement. By the end of 1946 the IMF had grown to 39 members. On 1 March 1947, the IMF began its financial operations.

After gaining independence Nigeria joined the International Monetary Fund (IMF) on March 30, 1961. Early on, Nigeria had limited interaction with the international monetary fund this was due to robust economic growth experienced by the country in the 1960s and 1970s. Agricultural and later oil exports were the core drivers of the Nigerian economy⁵. The undue reliance on oil exports would later negatively impact the Nigerian economy.

In the early 1980s the global economy experienced a recession leading to the decline in the global demand for oil and thus affecting the Nigerian revenue. The Shagari government 1979-1983 approached the international monetary fund regarding loan arrangement to save the ailing economy⁶. True to form the International monetary fund IMF imposed certain conditionalities for considering a loan to Nigeria. Negotiations between the Shagari government and the International monetary fund were still ongoing when the government was overthrown. The succeeding military regime of General Muhammadu Buhari refused to accept the conditions for the loans hence the negotiations collapsed.

Ibrahim Babangida succeeded the Buhari In 1985 after a successful military coup⁷. His administration picked up the negotiations with the international monetary fund on the

procurement of loans. The International monetary fund required states to restructure their economies as a condition for securing loans. This program was referred to as structural adjustment program SAP. Structural Adjustment Programmes (SAPs) was a system of conditional lending. The program required countries to liberalise their economies, opening them to international and domestic private capital, while at the sametime reducing the role of the state in economic governance⁸.

The military president General Ibrahim Babangida 1985-1993 took over from the Buhari administration. General Babangida introduced the Structural Adjustment Program (SAP) in 1986 as a response to the country's economic crisis caused by falling oil prices and mounting debt. Although public opinion was against SAP⁹ the Babangida administration was convinced of the economies need for reform across free market lines and decided to take a courageous gamble. The decision was reached after much consultations by the government with renowned Nigerian thinkers in business finance and economics¹⁰. The consensus reached was that economic liberalization would provide long term solution to the nations economic woes.

Although the public opinion was against SAP, the program was adopted with all good intentions by the government. The reforms instituted by the government recorded some level of success, including, easier access to foreign exchange which facilitated commercial activities, increased private sector participation in the economy, privatisation and commercialisation of moribund government enterprises. However, the program also had some negative economic repercussions with consequent socio-political effects.

The Structural Adjustment Program SAP led to inflation, mass retrenchment, and a steep rise in the cost of living, worsening poverty levels. The middle class was eroded and heightened inequality, triggering widespread hardship among ordinary Nigerians, particularly in urban centers. These hardships spurred social unrest, including student protests, labor strikes, and riots. Politically, the program weakened public confidence in the government and intensified opposition to military rule, contributing to increased political instability.

The social unrest created by SAP would influence the June 12, 1993 election Saga which led to the demise of the Babangida regime. Babangida stepped aside from power on 27th August 1993¹¹ and an interim government headed by Chief Ernest Shonekan took over power. The chaotic reign of the interim government was brief. General Sani Abacha sacked the regime on 13th November 1993¹². The Abacha administration despite favourable oil prices further plunged the country into economic misery. Corruption, mismanagement and human rights abuses adversely impacted the nations international image leading to economic ruin. By the time General Abdulsalami Abubakar was returning power to civilian rule in 1999, Nigeria external debt stood at \$30 billion¹³

President Olusegun Obasanjo had to deal with the economic challenges that plagued the country. At the time of assuming office the country's unemployment rate stood at about 10% with about 70 million Nigerians living in poverty¹⁴. Mismanagement and corruption had stagnated economic growth, foreign reserves was depleted and the

external debt was substantial. Nigeria's external debt had ballooned to over \$30 billion, largely owed to the Paris Club of creditors.

To resolve the debt crisis the Obasanjo administration worked closely with the International Monetary Fund (IMF) as part of Nigeria's broader economic reform and debt relief efforts. Although Nigeria did not take new loans from the IMF during this period, her partnership with the international monetary fund IMF contributed to the historic \$18 billion debt relief Nigeria secured from the Paris Club in 2005. The IMF's endorsement of Nigeria's reform progress under her Policy Support Instrument PSI was instrumental in persuading creditors to grant the debt cancellation¹⁵.

Endnotes

1. Norman C. Palmer and Howard C. Perkins, *International Relations*, 3rd ed. (Delhi: AITBS Publishers, 2015), 311.
2. Karen A. Mingst and Ivan M. Arruguín, *Essentials of International Relations*, 7th ed.
3. Palmer and Perkins, *International Relations*, 311.
4. Mingst and Arruguín, *Essentials of International Relations*, 320.
5. Paul Uche Mbakwe and Joseph C. Chukwu, “The Political Economy of Nigeria’s Foreign Policy under Babangida’s Administration, 1985–1993,” *International Journal of History and Cultural Studies (IJHCS)* 2, no. 2 (2016): 28.
6. Danyaya Muhammad Shehu, “An Assessment of President Shehu Shagari’s Foreign Policy Legacy: Continuity and Change in International Relations, 1979 to 1983,” *Current Science Research Bulletin* 1, no. 1 (2024): 21–25.
7. Sam Momah, *Nigeria Beyond Divorce: Amalgamation in Perspective* (Ibadan: Safari Books Ltd, 2013), 39.
8. Alex Thomson, *An Introduction to African Politics*, 2nd ed. (London: Routledge, 2004), 183.
9. Ibrahim Babangida, *A Journey of Service* (Ibadan: Bookcraft Africa, 2025), 163.
10. Ibid., 162.
11. E. O. Erhagbe, “The Dynamics of the Evolution of Nigeria as a Political Unit,” in *Nigerian Peoples and Culture*, 2nd ed., ed. A. D. Nzemeke and E. O. Erhagbe (Benin City: Mindex, 2002), 49.
12. Ibid., 49.
13. .A. Nwankwo, “Sustainability of the Debt Relief: Nigeria’s Case,” *Great Insights* 2, no. 1 (2013): 109–15.

14. Federal Office of Statistics, *The Political Economy of Poverty, Equity and Growth* (Oxford: Oxford University Press, 1999), 40.
15. L. E. Nwachukwu, "Nigeria's Foreign Policy Shifts and Economic Development: The Obasanjo Years," *International Journal of African Studies* (2009): 101–18

BIBLIOGRAPHY

Books

- Ajayi, S. O. (2002). "International Economic Relations: An Overview." In Fred I. A. Omu & Leo E. Otoide (Eds.), *Themes in International Studies and Diplomacy*. Benin City: Department of History and International Studies, University of Benin, Nigeria.
- Babangida, I. (2025). *A Journey of Service*. Ibadan: Bookcraft Africa.
- Carbaugh, R. J. (2003). *International Economics* (18th ed.). Boston, Massachusetts, USA Cengage Learning.
- Erhagbe, E. O. (2002). "The Dynamics of the Evolution of Nigeria as a Political Unit." In A. D. Nzemeke & E. O. Erhagbe (Eds.), *Nigerian Peoples and Culture* (2nd ed.). Benin City: Mindex.
- Hause, S., & Maltby, W. (2005). *Western Civilization: A History of European Society* (2nd ed.). London: Wadsworth Publishing.
- Heilbroner, R. L. (1999). *The Worldly Philosophers: The Lives, Times and Ideas of the Great Economic Thinkers* (7th ed.). New York: Touchstone.
- Mingst, K. A., & Arruguín, I. M. (2017). *Essentials of International Relations* (7th ed.). New York: W. W. Norton & Company.
- Momah, S. (2013). *Nigeria Beyond Divorce: Amalgamation in Perspective*. Ibadan: Safari Books.
- Okonjo-Iweala, N. (2012). *Reforming the Unreformable: Lessons from Nigeria*. Cambridge, MA: MIT Press.
- Palmer, N. C., & Perkins, H. C. (2015). *International Relations* (3rd ed.). New Delhi: AITBS Publishers.
- Rourke, J. T. (1997). *International Politics on the World Stage* (6th ed.). Connecticut: Dushkin/McGraw-Hill.
- Thomson, A. (2004). *An Introduction to African Politics* (2nd ed.). London: Routledge.

Journals

- Aborisade, O. "*Students' political activism in Nigeria*". *African Studies Review*, 40(2), 1997
- Abuoma C. Agajelu, Nwachukwu J. Obiakor, and Leo O. Nnoli, "A History of the IMF-Nigeria Relations Since the 1970s". *International Journal for Social Studies*, Vol2(8), 2016
- Adejumobi, S. "Governance and poverty reduction in Africa: A critique of poverty reduction strategy papers (PRSPs)", *International Journal of Social Economics*, 2010
- Affairs, Aloysius- Micheals, okolie. "Economic Diplomacy and the Conduct of Nigeria's Foreign Policy Under Obasanjo's Administration" , *Nigerian Journal of International Affairs*, NJIA, vol. 36, No. 2, 2010.
- Akpotor A.S.. "Nigeria's Foreign Policy and Economic Growth under Obasanjo", in *African Journal of International Affairs*, Vol. 8, No. 2, 2007.
- Asad Ismi. "Impoverishing a Continent: The World Bank and the IMF in Africa", *Canadian Centre for Policy Alternatives*, Vol.7, No. 3(2004).
- Balogun K.A. "Obasanjo's Foreign Policy and Its Impact on Nigeria's Trade Relations", in *West African Journal of International Affairs*, 2006
- Dr Danyaya Muhammad Shehu. "An assessment of President Shehu Shagari's foreign policy legacy: Continuity and change in international relations, 1979 to 1983", *.Current Science Research Bulletin*, 1(1), 2024
- Eze T.C. "Obasanjo's Foreign Policy Strategies and Their Economic Implications", *In Nigerian Journal of International Politics*, 2007
- Eze U.C.. "Debt Cancellation and Economic Reforms: The Obasanjo Diplomacy" In *West African Review*, Vol. 10, No. 1, 2009
- Ibrahim, J. "The student movement and the struggle for democracy in Nigeria", *Review of African Political Economy*, 18(52), 1991

- Ihonvbere, J. O. "Structural adjustment and political transition in Nigeria The critical role of the polity" , *Africa Today*, 38(4), 1991
- I.O. Mbachu. "Determinants of Nigeria's Foreign Policy", An M.Sc Unpublished Manuscript, Department of International Affairs and Diplomacy, Abia State University, Uturu, Nigeria, 1992
- JCA Anwu. "President Babangida's Structural Adjustment Programme and Inflation in Nigeria", *Journal of Social Development in Africa*, 7, p.1-5, 1992.
- Mathias Chukwudi Isiani, Ngozika Anthonia Obi-Ani, Paul Obi-Ani, Chukwudi G Chidume, Stella Okoye-Ugwu. "*Interrogating the International Monetary Fund (IMF) policies in Nigeria, 1986–2018*", 8 (1), 1932283, 2021
- Michael Olufemi Famiyesin & Gbenga Olotu. "An Examination of Nigeria's Foreign Policy under President Olusegun Obasanjo (1999-2007): The Significance of Image Branding and Reconstruction Initiatives", *Fuoye Journal of Management, Innovation and Entrepreneurship*, 3 (2), 206-219, 2024
- Mohammed I.A. "Assessing the Economic Impact of Nigeria's Foreign Relations under Obasanjo", in *African Journal of Political Science*; 2009
- Nwachukwu L.E. "Nigeria's Foreign Policy Shifts and Economic Development: The Obasanjo Years in International"; *Journal of African Studies*, 2009, pp.101-11
- Nwankwo, A. "*Sustainability of the debt relief: Nigeria's case*", *Great Insights*, 2(1), 2013
- Obayuwana O. "An Aids Corps of Bountiful Dividends", in *The Guardian*, Lagos, April 3, 2006
- Ogbe, N.E. "Evaluation of Nigeria's debt-relief experience (1985–1990)", (OECD Development Centre Working Papers No. 55), OECD Publishing, 1992
- Omotola, J. S. "Through a glass darkly Assessing the new war against poverty in Nigeria", *African Insight*, 36(3–4), 2006
- Paul Uche Mbakwe, and Joseph C. Chukwu. "*The Political Economy of Nigeria's Foreign Policy under Babangida's Administration, 1985-1993*", *International Journal of History and Cultural Studies (IJHCS)*, vol2(2), 2016

Peter Blackburn, *"The Year of the IMF"*, (*Africa Report*), 31 (6), 18, 1986.

Online Sources

About the IMF, Retrieved June 4, 2025 from [https://www.imf.org/en/About the IMF](https://www.imf.org/en/About%20the%20IMF)

Ann Ugheoke, Economic impact of IBB SAP in five charts, Retrieved, July 17, 2025 from <https://businessday.ng/news/article/economic-impact-of-ibbs-sap-in-five-charts>

IMF names Kristalina Georgieva as new head Retrieved June 17 2025 from <https://www.bbc.com/news/business-49833220>

IMF Raises Forecast for Nigeria's Economic Growth Retrieved June 17 2025 from [5.https://www.google.com/amp/s/www.vanguardngr.com/2024/04/imf-raises-forecast-for-nigerias-economic-growth-to-3-3/amp](https://www.google.com/amp/s/www.vanguardngr.com/2024/04/imf-raises-forecast-for-nigerias-economic-growth-to-3-3/amp)

Nigeria Repays 34-billion COVID 19 funding, Retrieved June 6, 2025 from, <https://www.reuters.com/world/africa/imf-says-nigeria-repays-34-billion-covid-19-funding>

Sri Lanka: \$3bn IMF bailout for struggling economy Retrieved June 16 2025 from [.https://www.google.com/amp/s/www.bbc.com/news/business-65010560.amp](https://www.google.com/amp/s/www.bbc.com/news/business-65010560.amp)

The policy support instrument PSI Retrieved July 20 2025 from <https://www.imf.org/en/About/Factsheets/Sheets/2023/Policy-Support-Instrument->

Other Sources

1. Federal Office of Statistics, *The political economy of poverty, equity and growth*, Oxford University Press, 1999, p.40